SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

DRAFT STAFF REPORT

PROPOSED RULE 317 – CLEAN AIR ACT NON-ATTAINMENT FEES

November 2008

Deputy Executive Officer

Planning, Rule Development, and Area Sources Elaine Chang, DrPH

Assistant Deputy Executive Officer

Planning, Rule Development, and Area Sources Laki Tisopulos, Ph.D., P.E.

Planning and Rules Manager

Larry M. Bowen, P.E.

Author: Robert Pease, P.E. Program Supervisor

Henry Pourzand Air Quality Specialist

Reviewed by: Barbara Baird District Counsel

Contributors: Chung Liu Deputy Executive Officer, TAO

Rick Pearce Chief Financial Officer

Chris Marlia
Joe Cassmassi
Danny Luong
Cheryl Wade

Marie Assistant Deputy Executive Officer, IM
Planning and Rules Manager, AER
Senior Enforcement Manager
Financial Services Manager

Marie Assistant Deputy Executive Officer, IM
Planning and Rules Manager
Senior Enforcement Manager

Financial Services Manager

Kavita Lesser Deputy District Counsel Ali Ghasemi Program Supervisor, AER

Sue Lieu Program Supervisor, Socioeconomic Analysis

Barbara Radlein Air Quality Specialist, CEQA

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EXECUTIVE SUMMARY

Proposed Rule 317 – Clean Air Act Non-attainment Fees promulgates the mandatory requirements for air basins in the South Coast Air Quality Management District (SCAQMD) that are not in attainment with the federal one-hour standard for ozone as contained in Sections 182(d), 182(e), 182(f) and 185 of the 1990 amendments to the Clean Air Act (CAA). Major stationary sources of Volatile Organic Compounds (VOC) and Nitrogen Oxides (NOx), both pollutant precursors of ozone, must either reduce these emissions or otherwise pay a CAA non-attainment fee in lieu of reductions. The CAA non-attainment fee is assessed for both VOC as well as for NOx emissions from subject sources. CAA non-attainment fees are based on actual VOC and NOx emissions that exceed 80% of the baseline emissions in the attainment year, respectively.

The SCAQMD encompasses the South Coast Air Basin (SOCAB) along with portions of the Salton Sea Air Basin (SSAB) and the Mojave Desert Air Basin (MDAB). For air basins classified as "Severe 17" (SSAB) the attainment year is 2007; for those classified as "Extreme" (SOCAB) the attainment year is 2010. For the purposes of PR 317 the MDAB is undesignated and there is no set attainment date.

CAA non-attainment fees would be assessed in an assessment year which would be each calendar year beginning with the year following the attainment year and due the year following the assessment year. Furthermore, a major stationary source that does not mitigate emissions of VOC and NOx below 80% of the source's baseline emissions will be required to pay the VOC and NOx CAA non-attainment fees annually for the amount of the source emissions that exceed 80% of the baseline emissions. Such fees are required to be paid annually until the Administrator of the United States Environmental Protection Agency (U.S. EPA) designates the air basin as being in attainment with the federal one-hour ozone standard. CAA non-attainment fees shall be due to the AQMD in the year following the assessment year in accordance with the current provisions regarding payment of emissions fees as contained in Rule 301(e)(10). Late and non-payment of CAA non-attainment fees are also subject to the fee surcharge and permit revocation provisions of Rule 301(e)(10).

Before any fees are assessed however, the Administrator of the U.S. EPA or the Executive Officer must make a finding that the basin is actually not in attainment of the federal one-hour standard for ozone. For the purposes of this rule a non-RECLAIM major stationary source is defined, as a source having a potential (or permitted) to emit (PTE) of greater than 25 tons per year in the SSAB and 10 tons per year in the SOCAB. RECLAIM sources are defined as major stationary sources, based on the source PTE, pursuant to paragraph (b)(2) of Rule 3001 – Applicability. CAA non-attainment fees received by the AQMD in compliance with these rule requirements will be used for air quality improvement programs.

BACKGROUND

PR 317 promulgates mandatory requirements of the CAA regarding air basin attainment deadlines for ozone and required mitigation in the absence of such attainment. Figure 1 shows air basins in the AQMD's jurisdiction. Area 1 is the portion of the AQMD in the SOCAB, Area

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2 is the Riverside County portion of the SSAB in the AQMD and Area 3 is non-Palo Verde, Riverside County portion of the MDAB in the AQMD. The air basins are also overlaid onto county boundaries for reference. Geographically, for the areas in the AQMD's jurisdiction, air basins and counties generally correspond as follows:

- SOCAB (Area 1) generally corresponds to metropolitan Los Angeles, Orange, western Riverside and south-western San Bernardino counties.
- SSAB (Area 2) generally corresponds to the central portion of Riverside County.
- MDAB (Area 3) generally corresponds to the eastern portion of Riverside county up to the Palo-Verde area.

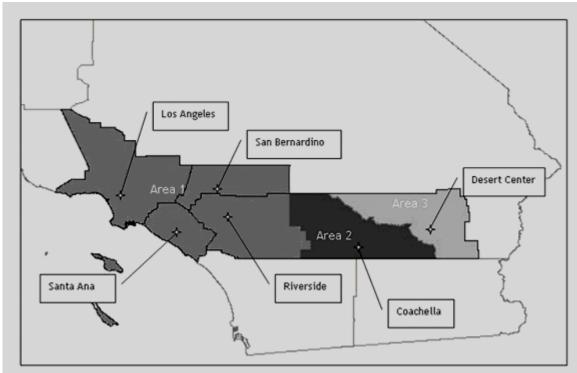


Figure 1 – Air Basins in the AQMD and County Boundaries

Based on the criteria in Section 181(a) of the CAA - Classification and Attainment Dates for 1989 Non-attainment Areas and 1990 ozone readings the AQMD's basins are classified as shown in Table 1. For air basins classified as Extreme the CAA requires attainment with the federally established one-hour standard for ozone no later than 2010. For air basins classified as Severe 17 the CAA requires attainment with the federally established one-hour standard for ozone no later than 2007. Note: The U.S. EPA has revoked the one-hour standard for ozone, so there is no longer a CAA requirement to attain the standard. However, the federal court of appeals has held that the mandatory fee requirements of this rule must still be imposed in severe

and extreme one-hour areas not meeting the one-hour standard. If the air basin is not in attainment by the applicable attainment date then a major stationary source must either reduce emissions of VOC/NOx as applicable, or pay a CAA non-attainment fee. The MDAB (Area 3) has a status of unclassified attainment, and so PR 317 does not apply to the sources in this basin.

Table 1 – CAA Classification and Attainment Dates for Air Basins in the AQMD

Air Basin	Attainment Status	Mandatory CAA Attainment Year (1-Hour Ozone Standard)
SOCAB (Area 1)	"Extreme" non-attainment	2010
SSAB (Area 2)	"Severe 17" non-attainment	2007
MDAB (Area 3)	Unclassified Attainment	Not Applicable

For the purposes of this rule a source qualifies as a major stationary source based on the PTE (permitted emissions level or "allowables") of VOC/NOx for all permitted units at the source or RECLAIM credits held. For sources located in the SOCAB (Area 1) this is any stationary source with a PTE of 10 or more tons of either VOC or NOx (not combined), annually. For sources located in the SSAB (Area 2) this is any stationary source with a PTE of 25 or more tons of either VOC or NOx (not combined), annually. There is currently no threshold for sources located in the MDAB since this basin is classified as attainment/undesignated.

For the purposes of this rule a Non-RECLAIM major stationary source, based on the source PTE, is defined in Sections 181(b)(4)(B) and 182(d) of the CAA and as shown in Table 2. Also, where applicable a Non-RECLAIM major stationary source is also the same as a Major Polluting Facility as defined in Rule 1302(s) – Definition of Terms.

A unique feature of the AQMD is the Regional Clean Air Incentives Market or RECLAIM program. RECLAIM is a special cap and trade program established for medium to large sized emitters of NOx and SOx located in the SOCAB. This program allows sources in the program to trade credits with other sources in the program. Due to the fluid nature of RECLAIM trading emissions credits (RTCs), special provisions have been crafted for Title V applicability and PTE. To recognize and continue this unique program, specific language for RECLAIM sources subject to this rule has been crafted. These provisions deal with the issues of PR 317 applicability to and baseline emissions for RECLAIM sources. For the purposes of this rule, a RECLAIM source is a major stationary source subject to PR 317 if, the source PTE is greater than or equal to 10 tons prior to the attainment year or the year the PTE became greater than or equal to 10 tons if this first occurs during or after the attainment year, based on the current Title V RECLAIM program

definition of PTE as found in paragraph (b)(2) of Rule 3001 – Applicability. Paragraph (b)(2) of Rule 3001 defines PTE for a RECLAIM facility as either the higher of the starting allocation plus nontradeable credits or, RTCs that are held in the allocation account after trading.

Table 2 – Definition of Major Stationary Source Based on Permitted Source Emissions (PTE)

Air Basin	Attainment Status	Potential to Emit/Permitted Source Emissions of Either VOC or NOx
SOCAB (Area 1)	"Extreme" non-attainment	10 or more Tons Per Year
SSAB (Area 2)	"Severe 17" non-attainment	25 or more Tons Per Year
MDAB (Area 3)	Undesignated	Not Applicable

Table 3 below provides some examples of whether a source qualifies as a major stationary source or not. Note that a source located in the SOCAB must have the potential to emit at least 10 tons of VOC or the potential to emit at least 10 tons of NOx per year in order to qualify as a major stationary source for the purposes of PR 317. A source located in the SSAB must have the potential to emit at least 25 tons of VOC or the potential to emit at least 25 tons of NOx per year in order to qualify as a major stationary source for the purposes of PR 317.

Table 3 – Examples of Whether a Source Qualifies as a Major Stationary Source (TPY)

Air Basin	Source VOC PTE	Source NOx PTE	Qualifying VOC PTE	Qualifying NOx PTE	Major Stationary Source
SOCAB	5	7	10	10	NO
SOCAB	59	1	10	10	YES for VOC
SOCAB	6	58	10	10	YES for NOx
SOCAB	25	11	10	10	YES for BOTH
SSAB	24	20	25	25	NO
SSAB	51	6	25	25	YES for VOC
SSAB	11	25	25	25	YES for NOx
SSAB	450	427	25	25	YES for BOTH
MDAB	N/A	N/A	N/A	N/A	Not Applicable

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CAA NON-ATTAINMENT FEES

Air basins under the jurisdiction of the AQMD are defined in PR 317 and must be in compliance with the both the federal one-hour (for the purposes of this rule) and current eight-hour standard for ozone by a specific date, the attainment date, as shown in Table 1. For air basins that are not in attainment by the attainment date, section 185(a) of the CAA mandates that a fee be assessed to major stationary sources located in those air basins for each excess ton of both VOC and NOx emissions as further defined in Section 185(b) of the CAA. For the purposes of PR 317 this is defined as a CAA non-attainment fee. However, in PR 317, before the fee is actually assessed the Administrator of the U.S. EPA or the AQMD Executive Officer must find the basin (either the SOCAB or the SSAB) is not in attainment with the federal one-hour standard for ozone.

This CAA non-attainment fee is computed based on emissions of VOC and NOx that are in excess of eighty percent of the baseline VOC and NOx emissions, calculated separately for each air contaminant. Baseline Emissions for a major stationary source, are calculated for each air contaminant, VOC and NOx separately, as follows:

For sources subject to this rule prior to the attainment year, the baseline emissions shall be the amount of the actual emissions during the attainment year that do not exceed the permitted allowables.

For sources subject to this rule during or after the attainment year:

- (i) For a non-RECLAIM major stationary source the baseline emissions shall be the amount of emissions allowed under the applicable implementation plan (the permitted annual emissions levels).
- (ii) For an existing RECLAIM facility that subsequently qualifies as a major stationary source for the purposes of this rule the baseline emissions shall be the higher of the RTC holdings at the beginning of the year the source becomes a major stationary source that do not exceed the RTC holdings at the end of the reconciliation period.
- (iii) For a new RECLAIM facility that qualifies as a major stationary source for the purposes of this rule the baseline emissions shall be the higher of the RTC credits purchased at the beginning of the attainment year or initial year of operation, as applicable, or actual emissions, not to exceed RTC holdings at the end of the reconciliation period.

If a major stationary source is operational for a period of less then one calendar year in the attainment or initial year of operation, as applicable, the emissions from the operational period shall be extrapolated over the entire calendar year.

Beginning with the year after the attainment year, and each year thereafter (fee assessment year) and until the Administrator of the U.S. EPA designates the air basin to be in attainment of the federal one-hour standard for ozone, both the VOC and NOx annual CAA non-attainment fees shall be assessed for all major stationary sources. It should be noted an extension of the assessment year could be granted in accordance with Section 185(c) of the CAA provided certain conditions are met including there is no more than 1 exceedance of the national ambient air quality standard level for ozone in the area in the year preceding the extension year. This

condition was not achieved for the SSAB and undoubtedly will not be achieved in the SOCAB in 2010. Therefore, staff has not included this option in PR 317.

CAA non-attainment fees will be billed and due in the year immediately following the assessment year in accordance with the annual emissions fee billing requirements as established in Rule 301(e)(10). A major stationary source that does not pay any or all of the required CAA non-attainment fees, by the specified due date, shall be subject to the late payment surcharge and permit revocation provisions of Rule 301(e)(10). For major stationary sources in the SSAB the calendar year for baseline emissions is 2007, the first assessment year is 2008 and the first year for remittance is 2009. For major stationary sources in the SOCAB the calendar year for baseline emissions is 2010, the first assessment year is 2011 and the first year for remittance is 2012.

A source qualifies as a major stationary source based on its PTE of VOC or NOx emissions (in tons per year) or for RECLAIM facilities as defined in paragraph (b)(2) of Rule 3001 - Applicability. CAA non-attainment fees for a major stationary source however, are assessed based on actual annual emissions from the source. A fee for each ton of VOC and for each ton of NOx emissions over eighty percent of the baseline emissions of the major stationary source is assessed. This CAA non-attainment fee is assessed at a CPI adjusted rate of \$5,000 per ton for each excess ton of VOC and for each excess ton of NOx in the assessment year(s). The CPI adjustment factor is based on the cumulative increase in the CPI from 1989 through to the assessment year in accordance with Section 185(b)(3) of the CAA and based on the index as specified in Section 502(b)(3)(B)(v).

Rule 317 fees will be collected concurrently with the Annual Emissions Reporting (AER) filings. AER is based on calendar year emissions and filings.

The PR 317 VOC CAA non-attainment fee for each major stationary source is computed based on the following formula:

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Annual VOC CAA non-attainment fee = \$5,000 \times \text{CPIF} \times [A - (0.8 \times B)], and
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The PR 317 NOx CAA non-attainment fee for each major stationary source is computed based on the following formula:

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Annual NOx CAA non-attainment fee = \$5,000 \times CPIF \times [D - (0.8 \times E)]
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Where:

- A = The total amount of VOC emissions actually emitted during the applicable fee assessment year, in tons. If A is less than or equal to 80% of B; then there shall be no Annual VOC CAA non-attainment fee assessed for the subject year.
- B = The VOC baseline emissions as defined in this rule in tons per year.

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D = The total amount of NOx emissions actually emitted during the applicable fee assessment year, in tons. If D is less than or equal to 80% of E; then

there shall be no Annual NOx CAA non-attainment fee assessed for the subject year.

E = The NOx baseline emissions as defined in this rule in tons per year.

Where,

Variable	Value
Applicable Fee Assessment Year =	CY 2008 for a major stationary source in the SSAB and CY 2011 for a major stationary source in the SOCAB.
Baseline Emissions =	Emissions in the attainment year; CY 2007 for a major stationary source in the SSAB and CY 2010 for major stationary source in the SOCAB, or as otherwise defined for sources that are not major stationary sources prior to the attainment year but become major stationary sources after the attainment year.
A =	The total amount of VOC emissions actually emitted during the applicable fee assessment year, in tons per year. If A is less than or equal to 80% of B; then there shall be no Annual VOC CAA non-attainment fee assessed for the subject year.
B =	The VOC baseline emissions as defined in this rule in tons per year.
D =	total amount of NOx emissions actually emitted during the applicable fee assessment year, in tons per year. If D is less than or equal to 80% of E; then there shall be no Annual NOx CAA non-attainment fee assessed for the subject year.
E =	The NOx baseline emissions as defined in this rule in tons per year.
CPIF =	The annual Consumer Price Index adjustment factor, beginning with the 1989 change in the index up to and including the change in year prior to the year for which the fees are due, in accordance with Section 502(b)(3)(B)(v) and 185(b)(3) of the federal Clean Air Act. The CAA requires this CAA non-attainment fee be an amount equivalent to \$5,000 per ton of VOC and \$5,000 per ton of NOx emissions adjusted by the cumulative increase in the Consumer Price Index (CPI) beginning in 1989 and up to and including

the fee assessment year. For any calendar year the CPI is the average of the CPI for all-urban consumers published by the Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year or the revision of the CPI which is most consistent with the CPI for calendar year 1989 in accordance with Section 502(b)(3)(B)(v) and 185(b)(3) of the federal Clean Air Act.

For CY 2009, the first year in which fees may be collected for sources in the SSAB and the CPI year reflecting the change in the 2008 fee assessment year, the adjustment factor is currently projected to be 1.664 (California Department of Finance), so that:

 $$5,000 ext{ (in 1990 dollars)} ext{ x CPIF} = $5,000 ext{ x } 1.664 = $8,320 ext{ (in 2009 dollars)}$

Currently, the following CPIF estimates are projected for CY's 2010 – 2012:

Fees Due in CY	CPIF	Adjusted Value of \$5,000
2010	1.713	\$8,565
2011	1.763	\$8,815
2012	1.816	\$9,080

Note that CPIF is not a constant and changes annually based on the annual change in the CPI.

The following are examples of PR 317 CAA non-attainment fee calculations (rounded to the nearest dollar):

Example 1 – Non-Major Stationary Source in the SSAB; Pays No CAA Non-Attainment Fees

- Source is located in the SSAB and has a permitted VOC emissions limit (PTE) of 24 TPY in attainment year 2007. Source is not assessed a PR 317 VOC CAA non-attainment fee in 2008 because it is not a major stationary source of VOC emissions for the purposes of PR 317 (VOC PTE of 25 or more tons per year).
- Source has a permitted NOx emissions limit (PTE) of 20 TPY in attainment year 2007.
 Source is not assessed a PR 317 NOx CAA non-attainment fee in 2008 because it is not a major stationary source of NOx emissions for the purposes of PR 317 (NOx PTE of 25 or more tons per year).

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- Total CAA Non-Attainment Fees (SSAB due 2010)
- Source VOC CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee
- = \$0 + \$0 = \$0

Example 2 – Non-Major Stationary Source in the SOCAB; Pays No CAA Non-Attainment Fees

- Source is located in the SOCAB and has a permitted VOC emissions limit (PTE) of 5 TPY in attainment year 2010. Source is not assessed a PR 317 VOC CAA non-attainment fee in 2011 because it is not a major stationary source of VOC emissions for the purposes of PR 317 (VOC PTE of 10 or more tons per year).
- Source has a permitted NOx emissions limit (PTE) of 7 TPY in attainment year 2010. Source is not assessed a PR 317 NOx CAA non-attainment fee in 2011 because it is not a major stationary source of NOx emissions for the purposes of PR 317 (NOx PTE of 10 or more tons per year).
- Total CAA Non-Attainment Fees (SOCAB due 2012) = Source VOC CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee

<u>Example 3 – Major Stationary Source for VOC; Pays a VOC CAA Non-Attainment Fee</u> (SSAB/SOCAB)

• Source has a permitted VOC emissions limit (PTE) of 75 TPY in attainment year 2007 (or 2010 if located in the SOCAB), baseline (actual) VOC emissions of 60 tons in attainment year 2007 (or 2010 if located in the SOCAB) (B) and actual VOC emissions of 59 tons in assessment year 2008 (or 2011 if located in the SOCAB) (A). Source is a major stationary source of VOCs in the SSAB (PTE ≥ 25 TPY) for the purposes of this rule and pays a PR 317 VOC CAA non-attainment fee for 2008, due in 2009 in the amount of:

```
VOC CAA Non-Attainment Fee = $5,000/ton x CPIF x [ A - ( 0.8 x B ) ]

(SSAB) = $5,000/ton x 1.664 x [ 59 tons - ( 0.8 x 60 tons ) ]

= $8,320/ton x 11 tons

= $91.520
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or, if source is a major stationary source of VOCs in the SOCAB (PTE \geq 10 TPY) for the purposes of this rule it pays a PR 317 VOC CAA non-attainment fee for 2011, due in 2012 in the amount of:

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VOC CAA non-attainment fee = $5,000/ton x CPIF x [ A - ( 0.8 x B ) ]

(SOCAB) = $5,000/ton x 1.816 x [ 59 tons - ( 0.8 x 60 tons ) ]

= $9,080/ton x 11 tons

= $99,880
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• Source has a permitted NOx emissions limit (PTE) of 5 TPY in attainment year 2007 (or 2010 if located in the SOCAB). This source is not assessed a NOx CAA non-attainment fee in 2008 (or 2011 if located in the SOCAB) because it is not a major stationary source of NOx emissions for the purposes of PR 317, regardless of the source location.

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    Total CAA Non-Attainment Fees = Source VOC CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee
    (SSAB due 2009) = $91,520 + $0 = $91,520
    (SOCAB due 2012) = $99,880 + $0 = $99,880
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<u>Example 4 – Major Stationary Source for VOC and NOx; Pays a VOC CAA Non-Attainment</u> Fee and NOx CAA Non-Attainment Fee (SSAB/SOCAB)

• Source has a permitted VOC emissions limit (PTE) of 450 TPY in attainment year 2007 (or 2010 if located in the SOCAB), baseline (actual) VOC emissions of 420 tons in attainment year 2007 (or 2010 if located in the SOCAB) (B) and actual VOC emissions of 400 tons in assessment year 2008 (or 2011 if located in the SOCAB) (A). Source is a major stationary source of VOCs in the SSAB (PTE ≥ 25 TPY) for the purposes of this rule and pays a PR 317 VOC CAA non-attainment fee for 2008, due in 2009 in the amount of:

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VOC CAA Non-Attainment Fee = $5,000/ton x CPIF x [ A - ( 0.8 x B ) ]

(SSAB) = $5,000/ton x 1.664 x [ 400 tons - ( 0.8 x 420 tons ) ]

= $8,320/ton x 64 tons

= $532.480
```

or, source is a major stationary source of VOCs in the SOCAB (≥10 TPY) for the purposes of this rule and pays a PR 317 VOC CAA non-attainment fee for 2011, due in 2012 in the amount of:

```
VOC CAA Non-Attainment Fee = $5,000/ton x CPIF x [ A - ( 0.8 x B ) ]

(SOCAB) = $5,000/ton x 1.816 x [ 400 tons - ( 0.8 x 420 tons ) ]

= $9,080/ton x 64 tons

= $581,120
```

• Source has a permitted NOx emissions limit (PTE) of 427 TPY in attainment year 2007 (or 2010 if located in the SOCAB), baseline (actual) NOx emissions of 400 tons in attainment year 2007 (or 2010 if located in the SOCAB) (E) and actual NOx emissions of 380 tons in assessment year 2008 (or 2011 if located in the SOCAB) (D). Source is a major stationary source of NOx in the SSAB (PTE ≥ 25 TPY) for the purposes of this rule and pays a PR 317 NOx CAA non-attainment fee for 2008, due in 2009 in the amount of:

```
NOx CAA Non-Attainment Fee = $5,000/ton x CPIF x [ A - ( 0.8 x B ) ]

(SSAB) = $5,000/ton x 1.664 x [ 380 tons - ( 0.8 x 400 tons ) ]

= $8,320/ton x 60 tons

= $499,200
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or, source is a major stationary source of NOx in the SOCAB (≥10 TPY) for the purposes of this rule and pays a PR 317 NOx CAA non-attainment fee for 2011, due in 2012 in the amount of:

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NOx CAA Non-Attainment Fee = $5,000/ton x CPIF x [ A – ( 0.8 x B ) ]

(SOCAB) = $5,000/ton x 1.816 x [ 380 tons – ( 0.8 x 400 tons ) ]

= $9,080/ton x 60 tons

= $544,800

Total CAA Non-Attainment Fees = Source VOC CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee

(SSAB due 2012) = $532,480 + $499,200 = $1,031,680
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PR 317 INVENTORY

An estimated projection of the PR 317 Inventory was generated using a data set obtained by cross referencing the AQMD's Annual Emissions Reporting (AER) inventory data and Title V database and based on the following assumptions:

- 1. All sources with a potential (or permitted) to emit 25 or more tons per year of either VOC or NOx emissions annually and located in the portion of the SSAB that is in the jurisdiction of the AQMD, are major stationary sources and included in this estimate.
- 2. All other sources with a potential (or permitted) to emit 10 or more tons per year of either VOC or NOx emissions annually and located in the SOCAB (in the jurisdiction of the AQMD), are also major stationary sources and included in this estimate.
- 3. Sources are classified as major stationary sources based on their potential to emit or permitted level of emissions. However, fee amounts are based on actual emissions in the applicable fee assessment year.
- 4. Actual, FY 06-07 VOC and NOx emissions data is used as a proxy for and assumed equivalent to actual CY 2006 emissions of these same pollutants.
- 5. Actual emissions include permitted (RECLAIM and non-RECLAIM) and non-permitted (fugitive) source emissions, where applicable.
- 6. The CPIF provides a CPI inflation based increase in the initial \$5,000 per ton fee based on the CPI for the given assessment year for each ton of VOC and for each ton of NOx emitted in excess of 80% of the major stationary sources baselines for these air contaminants.
- 7. The set of major stationary sources remains static from 2006 through 2011. No new major stationary sources are permitted and no existing major stationary sources drop out of the current list (see Appendix 1) during this time period. This last assumption is highly unlikely so the figures presented should be regarded as one of a set of possible projections of CAA revenues.

As of July 2008, there were 585 potential major stationary sources in the AQMD; 584 in the SOCAB and 1 in the SSAB (Imperial Irrigation District, ID#62862). It is currently projected that out of the 584 major stationary sources in the SOCAB, 85 major stationary sources will not pay a CAA non-attainment fee in 2012 because they do not currently have any air emissions of VOC or NOx. For the remaining 499 major stationary sources in the SOCAB the highest combined (VOC and NOx) major stationary source fee paid by a major stationary source in 2012 is projected to be approximately \$2.7 million while the lowest combined CAA non-attainment fee is projected to be approximately \$472. The average combined major stationary source CAA non-attainment fee in 2012 is projected to be approximately \$60,138. These figures assume no

annual reduction in either VOC or NOx emissions from the reported FY 06-07 annual emissions inventory data for the major stationary sources which this analysis is based on.

Tables 4 and 5 below show the projected range of estimated revenues from CAA non-attainment fees based on assumed aggregate rates of annual emission reductions from major stationary sources after the attainment date. These percent reductions are simply an example of possible revenues if aggregate emissions from all major stationary sources are reduced as specified. They are not an attempt to predict actual reductions. It is unknown to what extent facilities will reduce their emissions rather than pay fees. Table 4 shows estimated projected revenues from the only major stationary source currently located in the SSAB (Imperial Irrigation District, ID#62862) for which the first assessment date is 2008 and the first fee due date is 2009. Major stationary source(s) in the SSAB would continue to pay fees annually beyond 2008 until the Administrator of the U.S. EPA determines the air basin is in compliance with the federal one-hour ozone standard. Table 5 shows the cumulative projected revenue for the major stationary source in the SSAB paying their 2012 annual CAA non-attainment fee as well as for major stationary sources in the SOCAB that will be paying their 2012 annual CAA non-attainment fee based on their 2011 fee assessment and their 2010 baseline emissions. Facilities in the SOCAB would also continue to make annual CAA non-attainment fee payments beyond the initial 2012 CAA nonattainment fee payment until the Administrator of the U.S. EPA finds the SOCAB is in compliance with the federal one hour standard for ozone.

PR 317 annual CAA revenues are not projected for future years past 2012. While Appendix 1 is a list of all currently identified and active major stationary sources potentially subject to PR 317 the list could, and likely will, change by 2010 and in the years beyond. An existing major stationary source may agree to take a permit condition prior to the attainment date to lower their allowable or permitted emissions of VOC and NOx below the major source threshold, in which case the source would not be considered a major stationary source, or an existing major stationary source may discontinue operations. In contrast, new facilities may begin operations in the AQMD or existing non-major stationary sources may expand to become a major stationary source. An example is a new electrical generating facility coming online in 2011. Any of these changes to the current list of major stationary sources and their associated emissions will affect the revenues estimated in this report.

Table 4 – CY 2009: A Range of Estimated Projected Revenues From PR 317 CAA nonattainment fees (SSAB Only)

Annual Percentage Reduction in Overall Emissions	VOC Total Revenue (\$)	NOx Total Revenue (\$)	VOC and NOx Total Revenue (\$)
0.0%	0	11,864	11,864
2.0%	0	10,464	10,464
4.0%	0	9,112	9,112

Table 5 – CY 2012: A Range of Estimated Projected Revenues From PR 317 CAA nonattainment fees (SSAB and SOCAB)

Annual Percentage Reduction in Overall Emissions	VOC Total Revenue (\$)	NOx Total Revenue (\$)	VOC and NOx Total Revenue (\$)
0.0%	15,800,000	19,500,000	35,300,000
2.0%	13,100,000	16,200,000	29,300,000
4.0%	10,800,000	13,300,000	24,100,000

CALIFORNIA ENVIRONMENTAL QUALITY ACT

SCAQMD staff has reviewed the proposed project pursuant to CEQA Guidelines §15002 (k)(1), the first step of a three-step process for deciding which document to prepare for a project subject to CEQA. Because the proposed project is mandatory pursuant to the federal Clean Air Act, it is exempt from CEQA pursuant to CEQA Guidelines §15268 – Ministerial Projects and §15061(b)(1) - Review for Exemption (Exemption by Statute). If approved, a Notice of Exemption, prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption, will be sent to the county clerks for each county in the district for filing.

DRAFT FINDINGS

Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the hearing. The draft findings are as follows:

Necessity - The AQMD Governing Board has determined that a need exists to adopt Rule 317 – Clean Air Act Non-Attainment Fees to comply with the requirements of the 1990 amendments to the Federal Clean Air Act.

Authority - The AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, and 41508 and Section 182(d), 182(e), 182(f) and 185 of the 1990 amendments to the Federal Clean Air Act.

Clarity - The AQMD Governing Board has determined that Rule 317 – Clean Air Act Non-Attainment Fees is written and displayed so that the meaning can be easily understood by persons directly affected.

Consistency - The AQMD Governing Board has determined that the adoption of Rule 317 – Clean Air Act Non-Attainment Fees is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, federal or state regulations.

Non-Duplication - The AQMD Governing Board has determined that the adoption of Rule 317 – Clean Air Act Non-Attainment Fees does not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the AQMD.

Reference - In adopting the Rule, the AQMD Governing Board references the following statutes which the AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40001 (rules to achieve ambient air quality standards), 40440(a) (rules to carry out the Air Quality Management Plan), and Sections 181, 182 and 185 of the 1990 amendments to the Federal Clean Air Act.

CONCLUSIONS and RECOMMENDATIONS

Staff recommends that PR 317 be adopted to comply with requirements set forth in the 1990 amendments to the Clean Air Act and also to implement control measure MCS-08 of the 2007 Air Quality Management Plan.

COMMENTS and RESPONSE to COMMENTS

Comment: Delay the current proposed December rule adoption hearing for a few months in

order to allow for consideration of anticipated new guidance from U.S. EPA.

Response: There is currently a facility in the Riverside county portion of the Salton Sea Air

Basin (SSAB) (in the District's jurisdiction) with a 2007 attainment year, a 2008 assessment year and with CAA non-attainment fees due in 2009 and any new major stationary source that might currently be permitted in the SSAB area would also be subject to these CAA provisions. The CAA requires that provisions to implement the CAA non-attainment fees be adopted and submitted for inclusion in the State Implementation Plan by December 31, 2000 (42 U.S.C. §175A(d)(3)). If the CAA non-attainment fee is considered a contingency measure to back up the "black box" for the one-hour ozone standard, it should have been submitted three years before it was to go into effect (42 U.S.C. §175A(e)(5)). It is imperative that at a minimum a rule be adopted prior to 2009 in order to satisfy the requirement of the CAA that, such a rule is actually in place. In addition, because of the rule making timeline it would not be an efficient use of resources to bifurcate the rule based on air basins. This would result in a duplication of rule development efforts with a significant drain on District resources. If significant U.S. EPA policy is forthcoming in the future the District will have the opportunity

to revisit an amendment.

Comment: The AQMD should consider alternative methods for establishing the baseline for

a major stationary source in PR 317 that allows for averaging over multiple years or on a rolling average. The U.S. EPA has issued a guidance memo on this subject and the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) has adopted a CAA non-attainment fee rule with an alternative

method for establishing the baseline.

Response: Section 185(b)(2) does allow for EPA to issue guidance for an alternative baseline

determination for a major stationary source "if that source's emissions are irregular, cyclical, or otherwise vary significantly form year to year". However,

under such a provision a major stationary source would have to clearly

demonstrate that it meets these criteria. Furthermore, while the SJVAPCD has adopted a rule with such an averaging provision it has not been approved into the SIP by the U. S. EPA. The only SIP approved rule promulgating section 185 of the CAA is one adopted by an agency which does not contain an averaging provision. In addition, both the CAA and guidance issued by the U.S. EPA

require that the baseline for a major stationary source be a set number based on the source's historical (pre-attainment year) emissions. The baseline for a major stationary source could therefore not be based on any rolling average of post

attainment years or initial years of operation after the attainment year.

Comment: How is the baseline for an existing major stationary source subject to the

provisions of PR 317 on or before the attainment year determined?

Response: Section 185(b)(2) of the CAA provides that the baseline shall "be the lower of

the amount of actual VOC [and NOx] emissions ("actuals") or VOC [or NOx] emissions allowed under the permit applicable to the source." A source may not have a baseline based on actual emissions if the actual emissions exceed the

allowed emissions for the source.

Comment: How is the baseline for a new major stationary source that becomes subject to the

provisions of PR 317 after the attainment year determined?

Response: Section 185(b)(2) of the CAA provides that the baseline shall be "if no such

permit has been issued for the attainment year, the amount of VOC [and NOx] emissions allowed under the applicable implementation plan ("allowable") during

the attainment year" which is the source's potential to emit.

Comment: My source has fugitive (or unpermitted) emissions that qualify it as a major

stationary source and my permitted emissions are less than the fugitives (or unpermitted) emissions. The rule reads that actual emissions cannot exceed permitted emissions. Would that mean that my baseline would be based on just my permitted emissions and not include my fugitive (or unpermitted) emissions?

Response: No. The phrase "actual emissions not to exceed permitted" only applies to

permitted sources. Baseline emissions include unpermitted, fugitive, and permitted emissions. Only that latter category is limited to emissions not to exceed permitted allowables. Otherwise, sources could violate their emissions

limitation to inflate their baseline.

Comment: My actual emissions have historically been below the PR 317 PTE amount and I

do not anticipate reaching this level in the future. Can I have my PTE lowered to

below the PR 317 attainment threshold to reflect this?

Response: A source may agree to an enforceable condition in their Permit to Operate to limit

their emissions below the applicable threshold. However, any subsequent

emission increase may involve a full NSR analysis of the source including BACT and offsets. At this time it is unclear if U.S. EPA would accept an emissions cap

solely for the purposes of this rule without NSR implementation.

Comment: RECLAIM major stationary sources should receive credit for the programmatic

emissions reductions already achieved.

Response: There is no provision in the CAA for such a programmatic credit.

Comment: Major stationary sources within the same industry and under common ownership

should be allowed to "bubble" or average aggregate emissions for the purposes of

establishing a baseline and CAA non-attainment fee assessments.

Response: There is no provision in the CAA for such an averaging provision. The CAA is

specific in that the provisions apply to specific sources or facilities. Sources in the AQMD are distinguished by a unique AQMD facility identification number.

Comment: What will AQMD do with the fees generated by PAR 317?

Response:

While the CAA is silent on the use of fees collected under PR 317, the goal of the AQMD is to apply these funds to air quality improvement programs that will result in the greatest overall benefits and emissions reductions on a case by case basis. Currently, it is anticipated that the most cost effective stationary source emissions reductions programs will receive priority funding. Language has been included in PR 317 that stipulates the fees collected, less no more than five percent administrative costs shall be used for air quality improvement projects in the AQMD. Further, language has been added to require that a procedure approved by the Governing Board or its designee be developed for the selection of and distribution of funds for air quality improvement programs. Staff anticipates the draft procedures to be developed and presented to the Governing Board within the first half of 2009 and would welcome any suggestions from the impacted industries and other interested parties.

Comment:

PR 317 Fees should be directly re-invested in the facilities/sources that pay the fees.

Response:

The District's intent, which we believe is consistent with Section 185 of the CAA for the fees imposed, is that such fees should be applied to emissions reductions that will bring the Basin(s) into compliance with air quality standards as expeditiously as possible. Currently, it is anticipated that any/all sources/programs would be eligible to receive CAA funds for emission reduction projects based on the air quality improvement program(s) cost effectiveness. If a major stationary source has the most cost effective proposal then it may very well receive funding for the project.

Comment:

Exclude emissions from equipment with BACT when calculating the CAA non-attainment fee amount.

Response:

There is no provision in the CAA for such an exemption or credit. The CAA is very specific in requiring emissions reductions beginning in the attainment (or initial year of operation if the source becomes subject to PR 317 after the attainment year) in which the facility becomes subject to PR 317. A clean unit provision was included in a rule from another California air district. That provision was cited by U.S. EPA as a cause for concern and the rule has not been SIP approved.

Comment:

Exclude any emissions from electrical generating facilities/sources when calculating PR 317 CAA non-attainment fees, if a system emergency has been declared.

Response:

There is no provision in the CAA for such an exemption.

Comment:

Allow for the surrender of RTCs or ERCs in order to defray a sources CAA non-attainment fees.

Response:

The CAA mandates specific emission reductions in order to move towards attainment with air quality standards or payment of CAA non-attainment fees.

There is currently no methodology for assessing the equivalency of RTCs/STERCs/ERCs to assessed CAA non-attainment fees.

Comment: Credit should be given for AER and other emissions fees already being paid by

sources.

Response: We do not believe this would be consistent with the intent of the CAA which is

that CAA non-attainment should be independent of and in addition to any other source fees to encourage emission reductions past the attainment date in order to

more expeditiously attain stationary source standards.

Comment: PR 317 may have unintended consequences by causing operators to flare digester

gas or landfill gas rather than use it to generate power as flaring is a less polluting

alternative. This would increase green house gas emissions.

Response: Staff does not anticipate a shift from utilizing landfill and digester gas from power

generation to flaring. Such a shift would involve a write-off in current assets as well as forgoing the revenue stream from the sale of electrical power. Moreover, most sources are under contract to deliver the power generated from digester or landfill gas. Staff anticipates sources will seek the most cost effective approach to

reduce emissions.

APPENDIX 1

LIST OF MAJOR STATIONARY SOURCES IN THE AQMD

(Alphabetically by Source Name)

SOURCE ID# NAME OF MAJOR STATIONARY SOURCE IN THE SSAB

62862 IMPERIAL IRRIGATION DISTRICT/ COACHELLA

SOURCE ID#	NAME OF MAJOR STATIONARY SOURCE IN THE SOCAB
800088	3M COMPANY
13563	3M ESPE DENTAL PRODUCTS DIVISION
73635	ABLESTIK LABORATORIES
12362	ACCESS BUSINESS GROUP LLC, NUTRILITE
106358	ACCURATE METAL FABRICATORS INC
47084	ADVANCE PAPER BOX CO
57390	ADVANCE TRUCK PAINTING INC
45489	ADVANCED CARDIOVASCULAR SYSTEM
104017	AERA ENERGY LLC
104015	AERA ENERGY LLC
23752	AEROCRAFT HEAT TREATING CO INC
115394	AES ALAMITOS, LLC
115389	AES HUNTINGTON BEACH, LLC
42676	AES PLACERITA INC
115536	AES REDONDO BEACH, LLC
101667	AG-FUME SERVICE INC
106897	AG-FUME SERVICES INC
148236	AIR LIQUIDE LARGE INDUSTRIES U.S., LP
3417	AIR PROD & CHEM INC
101656	AIR PRODUCTS AND CHEMICALS, INC.
3704	ALL AMERICAN ASPHALT, UNIT NO.01
800289	ALLERGAN INC
140373	AMERESCO CHIQUITA ENERGY LLC
800196	AMERICAN AIRLINES INC (EIS USE)

152948	AMERICAN DOCK BOX
138285	AMERICAN REMEDIAL TECHNOLOGIES, INC.
59237	AMERICAN SECURITY PRODUCTS CO INC
59225	AMERICH CORP
149235	AMF ANAHEIM LLC
148615	ANDERSON PRINTING
11972	ANEMOSTAT-WEST, A MESTEK CO
16642	ANHEUSER-BUSCH INC., (LA BREWERY)
118314	ANTHONY, INC.
117140	AOC, LLC
222	ARCHITECTURAL WOODWORKING CO
800286	ARCO TERMINAL SERVICES CORP
800052	ARCO TERMINAL SERVICES CORP., TERMINAL 2
800051	ARCO TERMINAL SERVICES CORPORATION
11640	ARLON ADHESIVE SYSTEM/DECORATIVE FILMS
46646	ARLON, MATERIALS FOR ELECTRONICS DIV
110577	ARMORCAST PRODUCTS COMPANY
12155	ARMSTRONG WORLD INDUSTRIES INC
118379	ARROWHEAD REGIONAL MEDICAL CTR
100485	ATKINSON BRICK COMPANY
100500	ATLANTIC/PACIFIC SHUTTER CO INC
128819	AURORA MODULAR INDUSTRIES
117290	B BRAUN MEDICAL, INC
800016	BAKER COMMODITIES INC
147764	BALL AEROSOL AND SPECIALTY CONTAINER INC
117785	BALL METAL BEVERAGE CONTAINER CORP.
13618	BARRY AVE PLATING CO INC
14931	BAU FURNITURE MANUFACTURING, THOMAS BAU
40034	BENTLEY PRINCE STREET INC
119907	BERRY PETROLEUM COMPANY
118121	BERT-CO GRAPHICS, BERT-CO IND DBA
12129	BEVERLY HOSPITAL
113465	BFI WASTE SYS OF NA/AZUSA GAS SYS OPR
155474	BICENT (CALIFORNIA) MALBURG LLC
132068	BIMBO BAKERIES USA INC
20445	BIOLA UNIVERSITY
800209	BKK CORP (EIS USE)
113240	BLACK HILLS ONTARIO LLC
18814	BLACK OXIDE IND INC
62355	BLACKHAWK FURNITURE, INC

148535	BLUEGRASS FOLDING CARTON CO
140473	BOWNE OF LOS ANGELES INC
800395	BP WEST COAST PROD.,ARCO CARSON
800397	BP WEST COAST PROD.,ARCO COLTON
131003	BP WEST COAST PROD.LLC BP CARSON REF.
800396	BP WEST COAST PROD/ARCO VINVALE TERMINAL
131249	BP WEST COAST PRODUCTS LLC,BP WILMINGTON
132124	BP WEST COAST PRODUCTS, LLC/CARSON TERMI
98159	BREITBURN ENERGY CORP
111110	BRISTOL FIBERLITE INDUSTRIES, INC
52719	BROWNWOOD FURNITURE, INC.
1034	BUILDERS FENCE CO INC
119940	BUILDING MATERIALS MANUFACTURING CORP
25638	BURBANK CITY, BURBANK WATER & POWER
128243	BURBANK CITY, BURBANK WATER & POWER, SCPPA
72351	CAJOLEBEN, INC., GALASSO'S BAKERY, DBA
800387	CAL INST OF TECH
144590	CALIBER COLLISION CENTERS, CALIBER ACQUI
122410	CALIFORNIA NEWSPAPERS PARTNERSHIP/SB SUN
800181	CALIFORNIA PORTLAND CEMENT CO (NSR USE)
135729	CALIFORNIA SPECIALTY PAINTING
46268	CALIFORNIA STEEL INDUSTRIES INC
800022	CALNEV PIPE LINE, LLC
8309	CAMBRO MANUFACTURING CO
153992	CANYON POWER PLANT
22911	CARLTON FORGE WORKS
118406	CARSON COGENERATION COMPANY
141555	CASTAIC CLAY PRODUCTS, LLC
560	CATALINA YACHTS INC
16389	CEDARS-SINAI MEDICAL CTR
98492	CENTURY PLASTICS INC
37601	CENVEO ANDERSON LITHOGRAPH
800380	CERTIFIED ENAMELING INC
800272	CHEMOIL TERMINALS CORPORATION
800030	CHEVRON PRODUCTS CO.
800302	CHEVRON PRODUCTS COMPANY
2526	CHEVRON USA INC
800032	CHEVRON USA INC
135216	CHINO BASIN DESALTER AUTHORITY
56940	CITY OF ANAHEIM/COMB TURBINE GEN STATION

23194 CITY OF HOPE MEDICAL CENTER

139796 CITY OF RIVERSIDE PUBLIC UTILITIES DEPT

153420 CLOSETMAID

136155 CLOSETS BY DESIGN, INC

16978 CLOUGHERTY PACKING LLC/HORMEL FOODS CORP 141901 CMH MFG WEST INC, GOLDEN WEST HOMES DBA

80066 COATINGS RESOURCE CORP

123350 COLOR GRAPHICS INC

143597 COLORGRAPHICS

37336 COMMERCE REFUSE TO ENERGY FACILITY

800365 CONOCOPHILLIPS CO. L A TERMINAL

18503 CONOCOPHILLIPS COMPANY 800362 CONOCOPHILLIPS COMPANY 800363 CONOCOPHILLIPS COMPANY

800364 CONOCOPHILLIPS/COLTON TERMINAL-WEST CO 111814 CONOCOPHILLIPS/TORRANCE TANK FARM CO

126536 CONSOLIDATED FOUNDRIES - POMONA

10971 CONTAINER SUPPLY CO INC

2537 CORONA CITY, DEPT OF WATER & POWER

68042 CORONA ENERGY PARTNERS, LTD

19144 CORONET MFG CO INC 103864 COUNTRY AFFAIRE, INC

152707 CPV SENTINEL LLC

6961 CRAFTSMAN OFFICE FURNITURE

49327 CREATIVE PRESS HOLDINGS,LLC,DBA CREATIVE
118744 CREEL PRINTING COMPANY OF CALIFORNIA,INC

70220 CROWN CHROME PLATING INC

7949 CUSTOM FIBERGLASS MFG CO/CUSTOM HARDTOP

38911 CUSTOMCRAFT

104161 DANMER INC, DANMER CUSTOM SHUTTERS DBA

63180 DARLING INTERNATIONAL INC

3721 DART CONTAINER CORP OF CALIFORNIA

7411 DAVIS WIRE CORP

772 DEFT INC

69598 DELGADO BROTHERS CO
139304 DELTA PRINTING SOLUTIONS
9668 DELUXE LABORATORIES

7713 DELUXE PACKAGES 800037 DEMENNO/KERDOON 800189 DISNEYLAND RESORT

94529 DITTY CONTAINER INC 142220 DIVERSIFIED COATINGS, INC. 77641 DONAHUE PRINTING CO 98557 DOUBLE D ENTERPRISE INC 5723 DUCOMMUN AEROSTRUCTURES INC 140811 DUCOMMUN AEROSTRUCTURES INC 50869 **DUNCAN BROS INC** 13943 **DUNN-EDWARDS CORP** 45938 E.M.E. INC/ELECTRO MACHINE & ENGINEERING 136148 E/M COATING SERVICES E/M COATING SERVICES 136173 13854 EAST LOS ANGELES COLLEGE EASTERN MUNICIPAL WATER DIST 7417 19159 EASTERN MUNICIPAL WATER DIST 1703 EASTERN MUNICIPAL WATER DISTRICT 13088 EASTERN MUNICIPAL WATER DISTRICT 800264 **EDGINGTON OIL COMPANY** EI COLTON, LLC 133813 EL SEGUNDO POWER, LLC 115663 8570 EMBEE INC 127568 ENGINEERED POLYMER SOLUTION, VALSPAR 74060 ENGINEERED POLYMER SOLUTIONS INC 19194 EPPINK OF CALIFORNIA 136202 **EPSILON PLASTICS INC** EQUILON ENT LLC, SHELL OIL PROD. U S 116931 EQUILON ENTER, LLC-SHELL OIL PROD. US 117560 117225 EQUILON ENTER. LLC, SHELL OIL PROD. U S 800372 EQUILON ENTER. LLC, SHELL OIL PROD. US 800370 EQUILON ENTER., LLC, SHELL OIL PROD. U S 800369 EQUILON ENTER.LLC, SHELL OIL PROD. U S EXECUTIVE OFFICE CONCEPTS 47643 124838 **EXIDE TECHNOLOGIES** EXTREME CUSTOM TRAILERS, DIV LIPPERT COM 152895 EXXONMOBIL OIL CORP 800092 800091 EXXONMOBIL OIL CORP (NSR USE ONLY) 800089 EXXONMOBIL OIL CORPORATION 800171 EXXONMOBIL OIL CORPORATION

FABRI-COTE, DIV A & S GLASS FABRICS CO IN

FAIRVIEW DEVELOPMENTAL CENTER

FACILITY SAMPLE

25501

135204

3496

112956	FENDER MUSICAL INSTRUMENTS CORP.
29011	FLEETWOOD HOMES OF CAL INC
8936	FLEETWOOD MOTOR HOMES OF CAL INC
12280	FLEETWOOD TRAVEL TRAILERS OF CAL INC #15
134590	FLEISCHMANN'S VINEGAR CO, INC
12630	FLINT INK NORTH AMERICA CORP
12876	FOAM FABRICATORS
11716	FONTANA PAPER MILLS INC
124725	FORTUNE FASHIONS IND
152947	FRANKLIN ACQUISITION, LLC/FIBERNETICS MO
43605	FREE FLOW PACKAGING INTERNATIONAL, INC.
145740	FREEDOM GRAPHIC SYSTEMS, INC.
19766	FREMARC DESIGNS
40915	FREUND BAKING CO
346	FRITO-LAY NORTH AMERICA, INC.
96013	FURNITURE TRADITIONS INC
2044	G B MFG INC/CALIF ACRYLIC, DBA CAL SPAS
155828	GARRETT AVIATION SVCS. LLC DBA STANDARD
45448	GAS RECOVERY SYST LLC (COYOTE CANYON)
61160	GE ENGINE SERVICES
12332	GEN AMERICAN TRANSPORTATION CORP/GATX
153033	GEORGIA-PACIFIC CORRUGATED LLC
152857	GEORGIA-PACIFIC GYPSUM LLC
139873	GIANT MERCHANDISING
800327	GLENDALE CITY, GLENDALE WATER & POWER
12660	GOLDSHIELD FIBERGLASS, INC, PLANT #58
139828	GRAPHIC PRESS LLC DBA INSYNC MKTG. SOL
10510	GREGG INDUSTRIES INC
142907	GREIF INDUSTRIAL PACKAGING & SERVS LLC
18378	GRUBER SYS INC
57094	GS ROOFING PRODUCTS CO, INC/CERTAINTEED
40196	GUARDIAN INDUSTRIES CORP.
19130	HALLMARK SW CORP
61785	HANDBILL PRINTERS DBA AMERICAN WEB
106325	HARBOR COGENERATION CO
100145	HARBOR FUMIGATION INC
123774	HERAEUS METAL PROCESSING, INC.
15164	HIGGINS BRICK CO
67757	HIGHLAND PLATING CO
11192	HI-SHEAR CORPORATION

800066 HITCO CARBON COMPOSITES INC 11245 HOAG MEM HOSP PRESBYTERIAN 800003 HONEYWELL INTERNATIONAL INC 68996 HONEYWELL TURBO TECHNOLOGIES

23401 HOOD MFG INC

14164 HOUSE OF PACKAGING, INC 117339 HYDROSEAL POLYMERS, INC

24081 I. M. GINSBURG FURNITURE CO INC 149974 IMPRESS COMMUNICATIONS INC

124619 IMPRESS USA INC123087 INDALEX WEST INC

134018 INDUSTRIAL CONTAINER SERVICES-CA LLC

124808 INEOS POLYPROPYLENE LLC

129816 INLAND EMPIRE ENERGY CENTER, LLC 147371 INLAND EMPIRE UTILITIES AGENCY

9163 INLAND EMPIRE UTL AGEN, A MUN WATER DIS

71704 INLAND LITHO, INC

102216 INNOVATION FIBERGLASS PRODUCTS

151843 INSULFOAM LLC 37076 INSYNC MEDIA INC

151005 INTERNATIONAL MARKETING & MFG. INC.

8488 INTERNATIONAL PAPER CO

48522 INTERNATIONAL RECTIFIER HEXFET AMERICA

106810 INTERSTATE BRANDS CORP

98531 INVESTMENT ENTERPRISES INC, GREAT WESTERN

800367 IPS CORP

22364 ITT INDUSTRIES, CANNON

24647 J. B. I. INC

131370 JACUZZI WHIRLPOOL BATH

6144 JAGUAR FINISHING CO

16697 JBL, INC.

800197 JENSEN INDUSTRIES INC.

119741 JENSEN PRECAST

91259 JOHANSON DIELECTRICS INC

13397 JOHN BOYD DESIGNS

14492 JOHNSON LAMINATING & COATING INC

74529 K. F. FIBERGLASS, INC.

16338 KAISER ALUMINUM FABRICATED PRODUCTS, LLC

800429 KAISER FOUNDATION HOSPITAL

93702 KCA ELECTRONICS INC

152330 KIK AEROSOL SOCAL LLC 21887 KIMBERLY-CLARK WORLDWIDE INC.-FULT. MILL 800056 KINDER MORGAN LIQUIDS TERMINALS, LLC 800057 KINDER MORGAN LIQUIDS TERMINALS, LLC 56888 KINRO INC 87716 KION PRINTING INC 1744 KIRKHILL RUBBER CO 130654 KOMFORT & DESIGN INDUSTRIES INC 108620 KRYSTAL KOACH INC 143025 KUSHWOOD LLC 55000 KYOWA AMERICA CORP L&L CUSTOM SHUTTERS INC, ALLWOOD SHUTTERS 54424 142686 L. A. SPAS, INC 45262 LA COUNTY SANITATION DIST SCHOLL CANYON 49805 LA CITY, BUREAU OF SANIT(LOPEZ CANYON) 36909 LA CITY, DEPARTMENT OF AIRPORTS 800335 LA CITY, DEPT OF AIRPORT LA CITY, DWP HARBOR GENERATING STATION 800170 LA CITY, DWP HAYNES GENERATING STATION 800074 LA CITY, DWP SCATTERGOOD GENERATING STN 800075 800193 LA CITY, DWP VALLEY GENERATING STATION 800214 LA CITY, SANITATION BUREAU (HTP) 10245 LA CITY, TERMINAL ISLAND TREATMENT PLANT 800312 LA CO HARBOR-UCLA MEDICAL CENTER LA CO. SANITATION DIST 800236 550 LA CO., INTERNAL SERVICE DEPT 53610 LA CO., METROPOLITAN TRANS AUTHORITY 3093 LA CO., OLIVE VIEW/UCLA MEDICAL CENTER 6384 LA CO., RANCHO LOS AMIGOS NAT. REHAB CTR 800386 LA CO., SHERIFF DEPT 29411 LA CO., SHERIFF'S DEPT 42514 LA COUNTY SANITATION DIST (CALABASAS) LA COUNTY SANITATION DISTRICT 24520 25070 LA COUNTY SANITATION DISTRICT 42633 LA COUNTY SANITATION DISTRICT (SPADRA) 75323 LA OPINION 18730 LA STEELCRAFT PROD. 20197 LAC/USC MEDICAL CENTER 800428 LAMPS PLUS INC/ PACIFIC COAST LIGHTING

LASCO BATHWARE INC.

24060

800313 LAXFUEL CORP 70915 LESTER LITHOGRAPH INC 144455 LIFOAM INDUSTRIES, LLC 83102 LIGHT METALS INC 151532 LINN WESTERN OPERATING INC 139799 LITHOGRAPHIX INC 800234 LOMA LINDA UNIV 44577 LONG BEACH CITY, SERRF PROJECT LONG BEACH GENERATION LLC 115314 14213 LONG BEACH MEMORIAL MEDICAL CENTER LOS ANGELES TIMES COMMUNICATIONS LLC 124904 LOS ANGELES TIMES COMMUNICATIONS LLC 124906 800080 LUNDAY-THAGARD COMPANY 13011 M.C. GILL CORP 14146 MAC GREGOR YACHT CORP 1379 MADISON-GRAHAM COLORGRAPHICS INC 114849 MAN-GROVE IND, INC/LITHOCRAFT CO. DBA MARCEL ELECTRONICS 56547 MARTIN LUTHER KING JR/MACC 2619 800398 MASK-OFF COMPANY, INC 17841 MC DOWELL & CRAIG MFG. CO. 8918 MCCONNELL CABINETS INC 2825 MCP FOODS INC 91954 MENZIES AVIATION GROUP, INC. 58563 MERCURY PLASTICS INC METAL COATERS OF CALIFORNIA 115563 94872 METAL CONTAINER CORP 102910 MICHELS & CO 104004 MICROMETALS, INC 155877 MILLERCOORS, LLC 39855 MIZKAN AMERICAS, INC 104806 MM LOPEZ ENERGY LLC MM PRIMA DESHECHA ENERGY, LLC 117297 MM WEST COVINA LLC 113873 81752 MODTECH HOLDINGS, INC. 73367 MONARCH LITHO INC 115622 MONIERLIFETILE LLC 121737 MOUNTAINVIEW GENERATING STATION

NASA JET PROPULSION LAB

NELCO PRODUCTS INC

11887

15558

117882 NELSON NAMEPLATE COMPANY 40806 **NEW BASIS** 12428 NEW NGC, INC. 10656 **NEWPORT LAMINATES** 5887 NEXGEN PHARMA INC 129659 NM COLTON GENCO LLC. 129660 NM MID VALLEY GENCO LLC 129661 NM MILLIKEN GENCO, LLC 18294 NORTHROP GRUMMAN CORP, AIRCRAFT DIV 800408 NORTHROP GRUMMAN SPACE & MISSION SYSTEMS NORTHROP GRUMMAN SPACE & MISSION SYSTEMS 800409 71207 NORTHWESTERN SHOWCASE & FIXTURE CO 112853 NP COGEN INC 134838 NUPLA CORPORATION 106711 NU-WAY LIVE OAK LANDFILL INC 50418 O C WASTE & RECYCLING 109505 OAKWOOD INTERIORS, INC OBERTHUR CARD SYSTEMS 114312 52743 OC WASTE & RECYCLING 52753 OC WASTE & RECYCLING 69646 OC WASTE & RECYCLING 6163 OHLINE 89248 OLD COUNTRY MILLWORK INC 47781 OLS ENERGY-CHINO ORANGE COUNTY SANITATION DISTRICT 17301 29110 ORANGE COUNTY SANITATION DISTRICT 35302 OWENS CORNING ROOFING AND ASPHALT, LLC 7427 OWENS-BROCKWAY GLASS CONTAINER INC 3525 P.B. FASTENERS 17953 PACIFIC CLAY PRODUCTS INC PACIFIC ENERGY RESOURCES, LTD. 151178 146313 PACIFIC LA MARINE TERMINAL LLC PACIFIC LA MARINE TERMINAL LLC 146810 PACIFIC MFG MGMT, INC DBA GRENEKER SOLUT 150233 121727 PACIFIC PIPELINE SYSTEM LLC 800417 PACIFIC TERMINALS LLC 800419 PACIFIC TERMINALS LLC - HUNTINGTON 800420 PACIFIC TERMINALS LLC - LONG BEACH 82608 PACIFIC WEST LITHO INC

PACTIV CORP

21474

22410 PALACE PLATING

130211 PAPER-PAK INDUSTRIES

58202 PARAGON LABS, NATURAL LIFE ECO VITE LABS

800183 PARAMOUNT PETR CORP (EIS USE)

12182 PARK LA BREA

103570 PARKINSON ENTERPRISES INC 18960 PASADENA CITY COLLEGE

800168 PASADENA CITY, DWP (EIS USE)

62851 PENN INDUSTRIES, INC.

142408 PENROSE LANDFILL GAS CONVERSION, LLC
101207 PERFORMANCE COMPOSITES INC, FIBERGLASS P

140552 PERFORMANCE COMPOSITES, INC

9978 PETER PEPPER PRODUCTS

800079 PETRO DIAMOND TERMINAL CO 17929 PINECRAFT CUSTOM SHUTTERS INC

15837 PLASTIC DRESS-UP CO

40991 PLASTICOLOR MOLDED PRODUCTS, INC 800212 POMONA VALLEY COMM HOSP (EIS USE)

7416 PRAXAIR INC

152501 PRECISION SPECIALTY METALS, INC. 102268 PREPRODUCTION PLASTICS, INC

136 PRESS FORGE CO 105903 PRIME WHEEL

59128 PRIME WOOD PRODUCTS INC

46 PROFESSIONAL REFINISHING ORGANIZATION

8220 PROVIDENCE ST JOSEPH MED CTR

132191 PURENERGY OPERATING SERVICES, LLC 132192 PURENERGY OPERATING SERVICES, LLC

132368 OUEBECOR WORLD GREAT WESTERN PUBLISHING

8547 QUEMETCO INC

82657 QUEST DIAGNOSTICS INC

3585 R. R. DONNELLEY & SONS CO, LA MFG DIV

78494 RAPID RACK INDUSTRIES INC 149241 REGAL CULTURED MARBLE 44655 REINHOLD INDUSTRIES INC

115315 RELIANT ENERGY ETIWANDA, INC.

119219 REPUBLIC SERV OF CALIF LLC(CHIQUITA CAN)
52517 REXAM PLC, REXAM BEVERAGE CAN COMPANY

94272 RGF ENTERPRISES INC

114801 RHODIA INC.

113518 RIDGEWOOD POWER MANAGEMENT,LLC

139010 RIPON COGENERATION LLC

15793 RIV CO, WASTE RESOURCES MGMT DIST, LAMB 6979 RIV CO., WASTE MGMT, BADLANDS LANDFILL

800182 RIVERSIDE CEMENT CO (EIS USE)

9961 RIVERSIDE CITY, WATER QUALITY CONTROL

100806 ROBINSON HELICOPTER CO INC

800113 ROHR,INC

89710 ROYAL CABINETS

23487 ROYAL PAPER BOX CO 32840 ROYAL TRUCK BODY INC

153095 SA RECYCLING LLC, ADAMS STEEL DBA 14833 SAINT JOHN'S HOSPITAL & HEALTH CENTER

13920 SAINT JOSEPH HOSPITAL

108701 SAINT-GOBAIN CONTAINERS, INC.

14437 SAN ANTONIO COMMUNITY HOSPITAL

58044 SAN BER CNTY SOLID WASTE MGMT - COLTON

7068 SAN BER CNTY SOLID WASTE MGMT

50299 SAN BER CNTY SOLID WASTE MGMT MID VALLEY
7371 SAN BER CNTY SOLID WASTE MGMT- MILLIKEN
11301 SAN BERNARDINO CITY MUN WATER DEPT (WRP)

4242 SAN DIEGO GAS & ELECTRIC 133323 SAN DIEGO SHUTTER CO INC

7450 SANDBERG FURNITURE MFG CO INC

77014 SARA LEE FRESH, INC

144385 SCHAWK, INC

15504 SCHLOSSER FORGE COMPANY 9898 SCIENTIFIC SPRAY FINISHES INC

141287 SCOTT BROS. DAIRY FARMS 122858 SEKISUI T.A. INDUSTRIES.INC

152811 SENSATION SPAS, INC 145464 SES TERMINAL LLC

800129 SFPP, L.P.

800278 SFPP, L.P. (NSR USE)

800279 SFPP, L.P. (NSR USE ONLY) 21089 SHERWOOD SHUTTER CORP

16639 SHULTZ STEEL CO

54402 SIERRA ALUMINUM COMPANY
 85943 SIERRA ALUMINUM COMPANY
 149814 SIERRACIN/SYLMAR CORP

121493 SIGNATURE FLEXIBLE PACKAGING, INC

147128 SILVER CREEK INDUSTRIES, INC

35482 SINCLAIR PRINTING CO

25513 SIX FLAGS THEMES PKS INC,SIX FLAGS MAGIC

105281 SKYLINE HOMES INC

109498 SNOW PLASTICS, HARRINGTON IND. PLSTCS, INC.

43201 SNOW SUMMIT INC
4477 SO CAL EDISON CO
17104 SO CAL EDISON CO
51003 SO CAL EDISON CO
51475 SO CAL EDISON CO
5973 SO CAL GAS CO

800128 SO CAL GAS CO (EIS USE)

8582 SO CAL GAS CO/PLAYA DEL REY STORAGE FACI

1334 SOC-CO PLASTIC COATING CO

114083 SOLUTIONS UNLIMITED, WILSON'S ART STUDIO 36738 SORENSON ENGINEERING INC, FRANK SORENSON

999999 SOUTH COAST SPECIAL FACILITY ID 149620 SOUTHERN CALIFORNIA EDISON 148568 SOUTHWEST MILL & LUMBER 108711 SOUTHWEST MILL & LUMBER INC

61536 SPECIALTY FINISHES CO

6324 ST. BERNARDINE MEDICAL CENTER

103609 ST. JUDE MEDICAL CRMD

126498 STEELSCAPE, INC 52742 STOROPACK INC

123970 SUNDANCE SPAS INC 115586 SUNDANCE SPAS, INC

49111 SUNSHINE CANYON LANDFILL 139938 SUNSHINE GAS PRODUCERS LLC

2083 SUPERIOR INDUSTRIES INTERNATIONAL INC 76969 SYNAGRO COMPOSTING CO. OF CALIFORNIA INC

115892 T/O PRINTING 3968 TABC, INC 18931 TAMCO

392 TAYLOR-DUNN MFG CO

6643 TECHNICOLOR INC 71797 TED LEVINE DRUM CO

152033 TESORO REF & MKTG CO., LONG BEACH 151984 TESORO REF & MKTG. CO., WILMINGTON

151798 TESORO REFINING AND MARKETING CO
800436 TESORO REFINING AND MARKETING CO
84273 TEVA PARENTERAL MEDICINES, INC
96037 TEXTURE DESIGN FURNITURE INC
800038 THE BOEING COMPANY - C17 PROGRAM

40841 THE DOT PRINTER INC

6262 THE HON CO 11435 THE PQ CORP

24730 THE STRIP JOINT INC 83508 THE TERMO COMPANY

78376 THMX HOLDINGS, LLCTHERMAL DYNAMICS CORP

74830 THORO PACKAGING INC 800330 THUMS LONG BEACH 129497 THUMS LONG BEACH CO

800325 TIDELANDS OIL PRODUCTION CO

68122 TIDELANDS OIL PRODUCTION COMPANY ETAL

800240 TIN, INC. TEMPLE-INLAND, DBA 137508 TONOGA INC, TACONIC DBA

57560 TOPPER PLASTICS INC

142417 TOYON LANDFILL GAS CONVERSION LLC

8935 TRAIL RITE INC

24450 TREND MANOR FURNITURE MFG CO INC 53729 TREND OFFSET PRINTING SERVICES, INC

9053 TRIGEN- LA ENERGY CORP 11034 TRIGEN-LA ENERGY CORP 800267 TRIUMPH PROCESSING, INC.

43436 TST, INC.

113674 U S A WASTE OF CAL(EL SOBRANTE LANDFILL)
14966 U S GOV'T, V A MEDICAL CENTER, WEST L A

800263 U.S. GOVT, DEPT OF NAVY 119939 UBS PRINTING GROUP

800026 ULTRAMAR INC (NSR USE ONLY) 800198 ULTRAMAR INC (NSR USE ONLY)

127749 ULTRAMAR, INC

9755 UNITED AIRLINES INC

800288 UNIV CAL IRVINE (NSR USE ONLY) 800265 UNIV OF SO CAL (EIS & NSR USE ONLY)

800202 UNIVERSAL CITY STUDIOS, LLC.

18452 UNIVERSITY OF CALIFORNIA, LOS ANGELES
 56 UNIVERSITY SO CALIFORNIA, HEALTH SCIENCES

5679 US GOVT, VETERANS ADMINISTRATION MED CTR 13990 US GOVT, VETERANS AFFAIRS MEDICAL CENTER US GYPSUM CO 12185 18695 US GYPSUM CO 1073 US TILE CO 79691 VACUUM METALIZING CO 800393 VALERO WILMINGTON ASPHALT PLANT 146534 VALLE DEL SOL ENERGY, LLC 111415 VAN CAN COMPANY 148553 VERNON CITY, LIGHT & POWER DEPARTMENT VERNON CITY, LIGHT & POWER DEPT 14502 VERTIS, INC 115130 37881 VERTIS, INC. 151899 VINTAGE PRODUCTION CALIFORNIA LLC 80321 VISTA CONSOLIDATED INC 14495 VISTA METALS CORPORATION 2846 VISTA PAINT CORP 44276 VITATECH INTL INC WALKER WOOD PRODUCTS, INC. 144197 146536 WALNUT CREEK ENERGY PARK 149027 WARREN E & P, INC. 50310 WASTE MGMT DISP &RECY SERVS INC (BRADLEY 10966 WEBER METALS INC 117460 WEDO GRAPHICS INC 152046 WELLHEAD POWER MARGARITA, LLC 42775 WEST NEWPORT OIL CO 74310 WESTERN HOMES CORP 17956 WESTERN METAL DECORATING CO 97019 WESTERN SUMMIT MANUFACTURING CORP 22092 WESTERN TUBE & CONDUIT CORP WESTWAY TERMINAL COMPANY 110924 1962 WEYERHAEUSER COMPANY WEYERHAEUSER COMPANY 132451 WHEELABRATOR NORWALK ENERGY CO INC 51620 127299 WILDFLOWER ENERGY LP/INDIGO ENERGY FAC 62617 WILLARD MARINE INC 19184 WINTERS INDUSTRIAL CLEANING INC 90326 WOODRIDGE PRESS INC 70021 XERXES CORP (A DELAWARE CORP)

ZIEMAN MFG CO

20504